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STATE DOCUMENTS

# **SOUTH CAROLINA STATE DEVELOPMENT BOARD**

## **ANNUAL REPORT**

### **1975-76**



Printed Under the Direction of the  
State Budget and Control Board

SOUTH CAROLINA  
STATE DEVELOPMENT BOARD MEMBERS

Judicial

Circuit

# SOUTH CAROLINA

City

## STATE DEVELOPMENT BOARD

### ANNUAL REPORT

1975-76



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12th Ed Young Florence

13th Ben F. Hagood, Jr. Pickens

14th Elrid Moody Beaufort

15th Dr. Ed Conway

16th James C. Rhax, Jr. Rock Hill

Printed Under the Direction of the  
State Budget and Control Board



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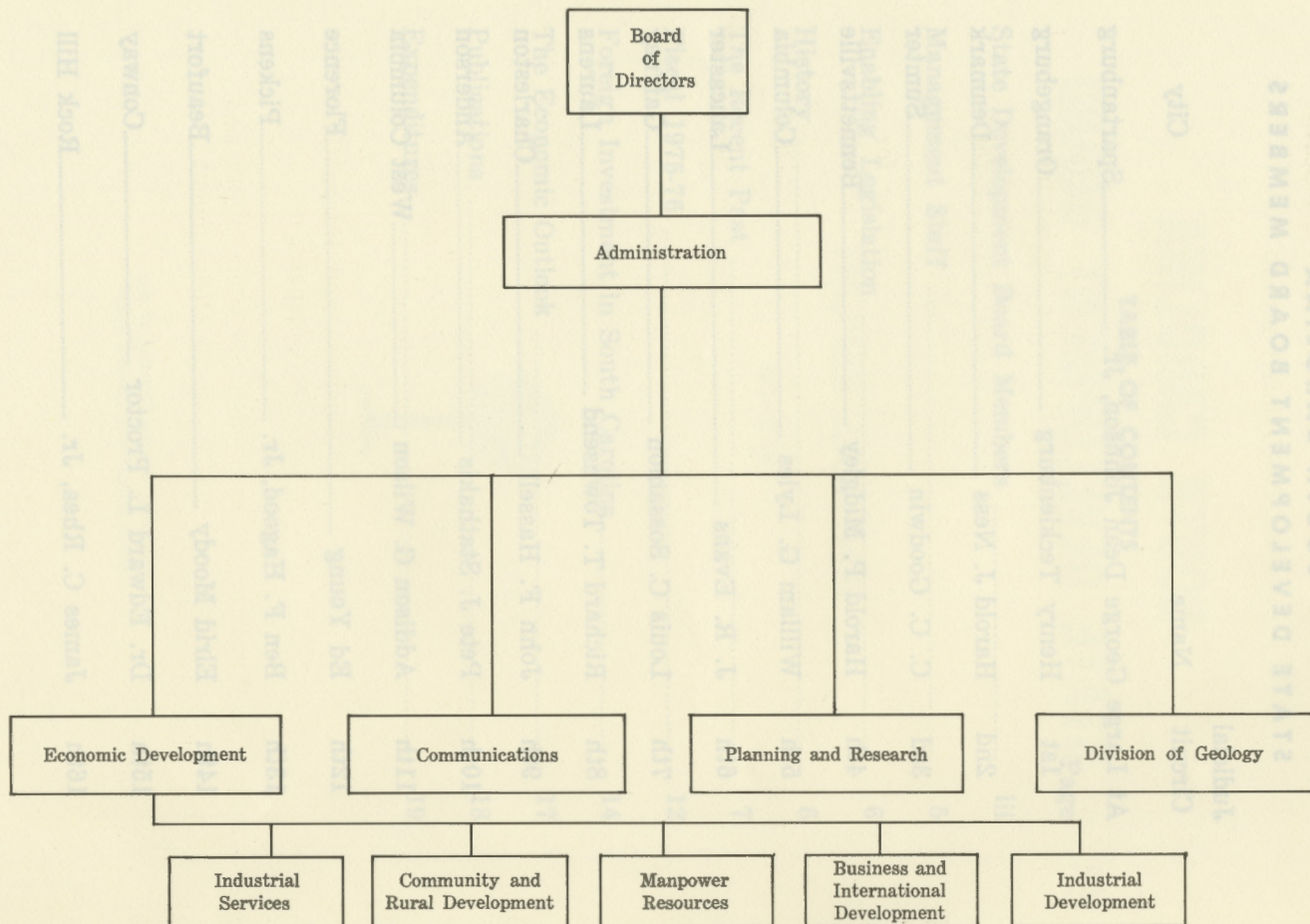
# **SOUTH CAROLINA STATE DEVELOPMENT BOARD MEMBERS**

Judicial

Circuit	Name	City
At Large	George Dean Johnson, Jr. ....	Spartanburg
1st	Henry Tecklenburg .....	Orangeburg
2nd	Harold J. Ness .....	Denmark
3rd	C. C. Goodwin .....	Sumter
4th	Harold P. Midgley .....	Bennettsville
5th	William G. Lyles .....	Columbia
6th	J. R. Evans .....	Lancaster
7th	Louis C. Sossamon .....	Gaffney
8th	Richard T. Townsend .....	Laurens
9th	John F. Hassell .....	Charleston
10th	Pete J. Stathakis .....	Anderson
11th	Addison G. Wilson .....	West Columbia
12th	Ed Young .....	Florence
13th	Ben F. Hagood, Jr. ....	Pickens
14th	Elrid Moody .....	Beaufort
15th	Dr. Edward L. Proctor .....	Conway
16th	James C. Rhea, Jr. ....	Rock Hill



## SOUTH CAROLINA DEVELOPMENT BOARD ORGANIZATIONAL CHART



**MANAGEMENT STAFF OF THE SOUTH CAROLINA  
STATE DEVELOPMENT BOARD**

Robert E. Leak	Director
F. Earl Ellis	Deputy Director
Robert E. Glover	Associate Director for Economic Development
G. L. Daniel	Associate Director for Communications
Edward B. Burgess	Associate Director for Planning and Research
N. K. Olson	Manager, State Geology
Wesley M. Pitts	Manager, Prospect Service
P. M. Smurthwaite	Manager Industrial Services
M. C. Gravely, Jr.	Manager Prospect Development
Howard R. Folkman	Manager Manpower Resources
Caleb C. Whitaker III	Manager Business and International Development
Robert H. Whitaker	Manager, Community and Rural Development



## ENABLING LEGISLATION

The South Carolina State Development Board was created for the purpose of conducting an adequate Statewide planning program and Statewide program for the stimulation of economic activity to develop the potentialities of the State; to conserve, restore and develop the natural and physical, the human and social, the economic and productive resources of the State; to promote public interest in the development of the State, through cooperation with public agencies, private enterprises, and charitable and social institutions; to promote and encourage industrial development, private business and commercial enterprise, agricultural production, transportation, and the utilization and investment of capital within the State; to assist in the development of existing State and interstate trade, commerce and markets for South Carolina goods and in the removal of barriers to the industrial, commercial and agricultural development of the State; to assist in insuring stability in employment; to increase the opportunities for employment of the citizens of the State; to devise ways and means to raise the living standards of the people of the State; and to advance the general welfare of the people.

## HISTORY

The South Carolina State Development Board was created originally in 1942 as the Preparedness for Peace Commission. In 1945 enabling legislation was amended and the agency's name changed to the Department of Research, Planning and Development. Under the 1945 Amendment, the State Development Board assumed the responsibilities of the State Board of Housing, the Building Council of South Carolina, the South Carolina Commerce Department Board, the South Carolina Intra-Coastal Waterway Commission, the State Commission of Port Development, the South Carolina Board for Promotion of External Trade, and the Natural Resources Commission.

Since the 1945 Amendment, some of the responsibilities of the State Development Board have been transferred to other agencies by executive order and legislative amendments. Un-



der Act 682, 1954, the name of the agency was changed from Department of Research, Planning and Development to The State Development Board.

### THE RECENT PAST

South Carolina, along with other states of the New South, experienced an unprecedented rate of economic growth during the sixties. The State Development Board was an active agent behind the investment momentum of the sixties and has worked diligently with private industry to maintain that momentum in the seventies. With the backing of responsible state and local government, the support of an outstanding technical education system and the cooperative enthusiasm of private enterprise, development efforts have brought an improved standard of living to the people of the state.

Growth rates in key indicators over the past ten years confirm the reality of progress. Total personal income, one of the most reliable yardsticks of economic advance, grew from \$4.8 billion in 1965 to \$12.7 billion in 1975 an increase of 168%. Per capita income climbed from \$1,905 in 1965 to \$4,521 in 1975, a gain of 137%. The percentage changes in total personal and per capita income for the Southeast were 162% and 130% respectively. The Southeastern region attained the highest percentage increase of any region in per capita income and ranked second highest in personal income percentage increase. Retail sales in South Carolina were up 152% for the same period and bank deposits climbed 189%. Furthermore, the growth in tax revenues resulting from increased economic activity has provided the means to improve public services and facilities which benefit all citizens. Manufacturer's property tax assessments increased 94% between 1965 and 1975, while corporate income tax revenues rose by 235% and revenues from taxes on manufacturing income alone by 178%.

Development logic and strategy during the past decade have encouraged the growth of modern, capital intensive industries, particularly petrochemicals and metalworking.

Investment by chemical, fabricated metals, electrical and nonelectrical machinery and other industries has broadened



and diversified the state's industrial base, creating a more viable economy. As a result, aggregate employment in manufacturing has become less dependent on the fate of one or two industries.

The new and expanded industries announced in South Carolina during the past ten years shows this diversity of industrial development. Chemical and metalworking industries accounted for more than 68% of all capital investment. These two sectors combined with the important textile sector provided 81% of all announced investment from 1966-1975. The resulting employment followed nearly the same pattern and the three industry sectors created 98,131 additional jobs for South Carolinians.

**ANNOUNCED CAPITAL INVESTMENT IN  
SOUTH CAROLINA BY MANUFACTURING INDUSTRY  
1966-1975**

Industry	Number of New & Expanded Plants	Employment	Investment (\$000)
Food & Kindred Products .....	74	3,464	\$ 101,174
Textiles .....	377	31,013	769,119
Apparel .....	200	17,891	64,031
Lumber & Wood Products .....	139	6,225	133,565
Paper, Printing & Allied .....	82	3,439	309,702
Chemical & Allied .....	169	22,189	2,813,030
Metalworking .....	461	44,929	1,183,447
Remaining* .....	175	11,326	485,247
<b>Total .....</b>	<b>1,677</b>	<b>140,476</b>	<b>\$5,859,315</b>

\*Includes tobacco; petroleum; rubber and plastics; leather; stone, clay and glass; and miscellaneous

Source: Planning and Research Division  
South Carolina State Development Board

**PERCENT DISTRIBUTION OF  
ANNOUNCED CAPITAL INVESTMENT AND EMPLOYMENT  
IN SOUTH CAROLINA BY MANUFACTURING INDUSTRY**

**1966-1975**

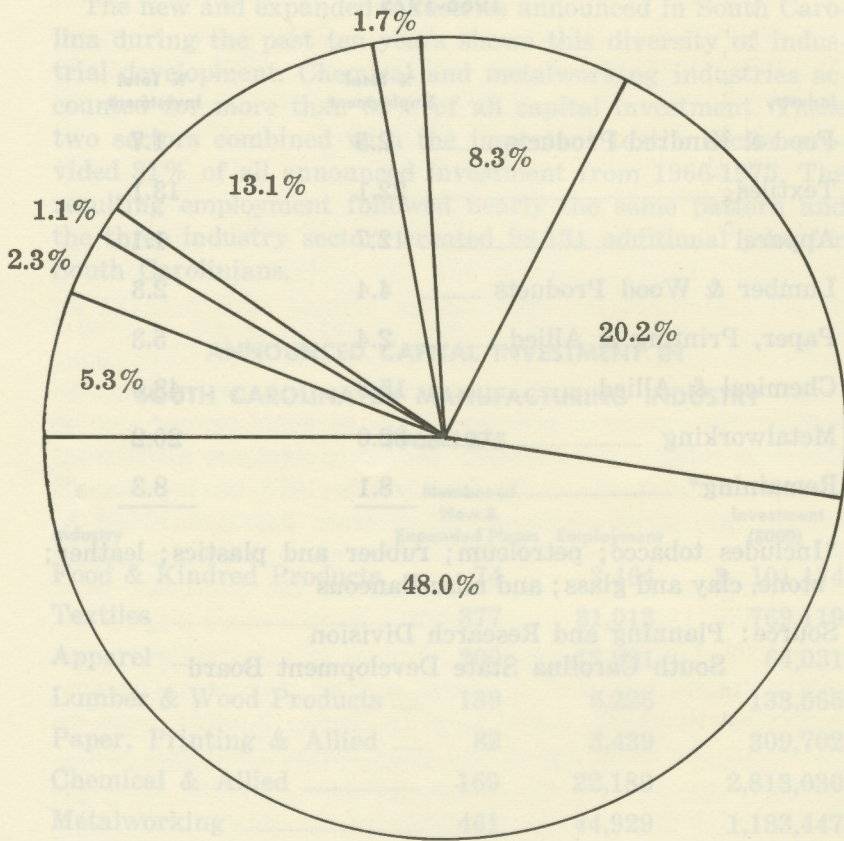
Industry	% Total Employment	% Total Investment
Food & Kindred Products .....	2.5	1.7
Textiles .....	22.1	13.1
Apparel .....	12.7	1.1
Lumber & Wood Products .....	4.4	2.3
Paper, Printing & Allied .....	2.4	5.3
Chemical & Allied .....	15.8	48.0
Metalworking .....	32.0	20.2
Remaining* .....	<u>8.1</u>	<u>8.3</u>

\*Includes tobacco; petroleum; rubber and plastics; leather; stone, clay and glass; and miscellaneous

Source: Planning and Research Division  
South Carolina State Development Board



**Growth In Manufacturing Investment By Major Industry  
In South Carolina  
1966-1975**



1.7%	Food & Kindred Products
13.1%	Textiles
1.1%	Apparel
2.3%	Lumber & Wood Products
5.3%	Paper, Printing & Allied
48.0%	Chemical & Allied
20.2%	Metalworking
8.3%	Remaining
100.0%	

The total manufacturing employment during the past ten years has shown a consistent annual rise except for 1975 when South Carolina was feeling the unemployment effects of the national recession. In 1965 there were 293,300 persons employed in manufacturing in the state. Peak manufacturing employment of 376,100 persons was reached in 1974. South Carolina's manufacturing growth rose 28% from 1965 to the 1974 peak, comparing favorably with the U. S. which rose only 11% from 1965 to its peak in 1973. As the economy regains the momentum of its expansionary thrust, manufacturing employment in South Carolina has increased and in the first half of 1976 nearly returned to pre-recession levels.

### Employment Growth By Industry Sector

1965-1975

	Percent Distribution			Ten Year Increase	
	1965	1975	Change	Actual	Percent
Manufacturing .....	57.2	46.0	-11.2	66,894	23%
Contract Construction .....	7.8	7.8	—	20,603	51%
Transportation, Communication & Utilities .....	4.5	4.7	+ .2	14,501	64%
Retail and Wholesale Trade	19.8	23.4	+ 3.6	81,503	81%
Finance, Insurance and Real Estate .....	3.6	4.7	+ 1.1	18,237	98%
Services .....	6.3	12.8	+ 6.5	68,189	212%
Total .....				295,358	58%

Columns do not add to 100 since mining sector was not included.

Source: Calculations based on data supplied by South Carolina Employment Security Commission.

The significance of the trends to increased and diversified manufacturing employment lies in the total economic effect produced. Among beneficial results has been the increase in income brought about in part by the increased manufacturing wage. The average hourly earnings for production workers in manufacturing climbed from \$1.88 in 1965 to \$3.59 in 1975



and the average weekly earnings rose from \$78.77 to \$141.45 during the same period.

Other vitalizing effects of the investment pattern of the last ten years can be seen in its impact on nonmanufacturing. More of the labor force has become employed in supportive enterprises at a higher wage, another sign of economic maturity. The average weekly wage for covered workers in Services, for example, advanced 119% between 1965 and 1975. Earnings in other nonmanufacturing showed similar, although not as spectacular, gains: weekly compensation to workers in construction in 1975 was up 116%; finance, insurance and real estate 81%; wholesale and retail trade 31%; transportation, communications and utilities 104%. Weekly earnings in all sectors of the economy rose 99% while weekly earnings in manufacturing outpaced all but two sectors with a 106% increase.

#### **FISCAL 1975-76**

During Fiscal 1975-76 the South Carolina economy continued its emergence from the effects of the recession and progressed along a slow upward trend. By fiscal year-end a number of economic indicators had reached significantly higher levels and the economy was showing considerable strength. Although the last few months have shown a leveling off of the economy, there is no indication that a future decline is in prospect or that the economy will not soon resume its upward trend. The rapid rate of growth of the earlier months was expected to reach a plateau and remain there for a short period. This period of stability is considered more as a respite in the upward movement. Further improvements will be hastened with the creation of industrial and investment activity.

In the economic climate of this fiscal year, total investment in South Carolina rose considerably over that of the previous year. Announced investment in new and expanded manufacturing facilities totaled \$510 million compared to an investment total of \$353 million last year. The number of new jobs last year was more than realized this year demonstrating the

capital intensiveness of the new jobs created in 1975-76 as compared to 1974-75.

Chemical and allied industries contributed nearly 45% of the announced investment while metalworking industries accounted for over 26%. The remaining 29% was largely from the food and textile industries. In total, there were 127 plants contributing to this year's announced capital investment.

**Announced Capital Investment In  
South Carolina By Manufacturing Industry**

**Fiscal Year 1975-76**

	No. of New & Expanded Plants	Investment (\$000)	Employment
Food & Kindred Products .....	12	46,490	503
Textiles .....	26	28,185	1,589
Apparel .....	11	2,050	562
Lumber & Wood Products .....	7	4,445	115
Paper, Printing & Allied .....	4	23,850	35
Chemical & Allied .....	18	229,066	520
Metalworking .....	38	133,973	3,025
Remaining .....	11	41,945	960
Total .....	127	510,004	7,309

\*Includes tobacco; petroleum; rubber and plastics; leather; stone, clay and glass; and miscellaneous.

Source: Planning and Research Division, South Carolina State Development Board.



**PERCENT DISTRIBUTION OF  
CAPITAL INVESTMENT BY INDUSTRY TYPE**

**FISCAL YEAR 1975-76**

Food and Kindred Products .....	9.1
Textile .....	5.5
Apparel .....	0.4
Lumber and Wood Products .....	0.9
Paper, Printing and Allied .....	4.7
Chemical and Allied .....	44.9
Metalworking .....	26.3
Remaining .....	8.2

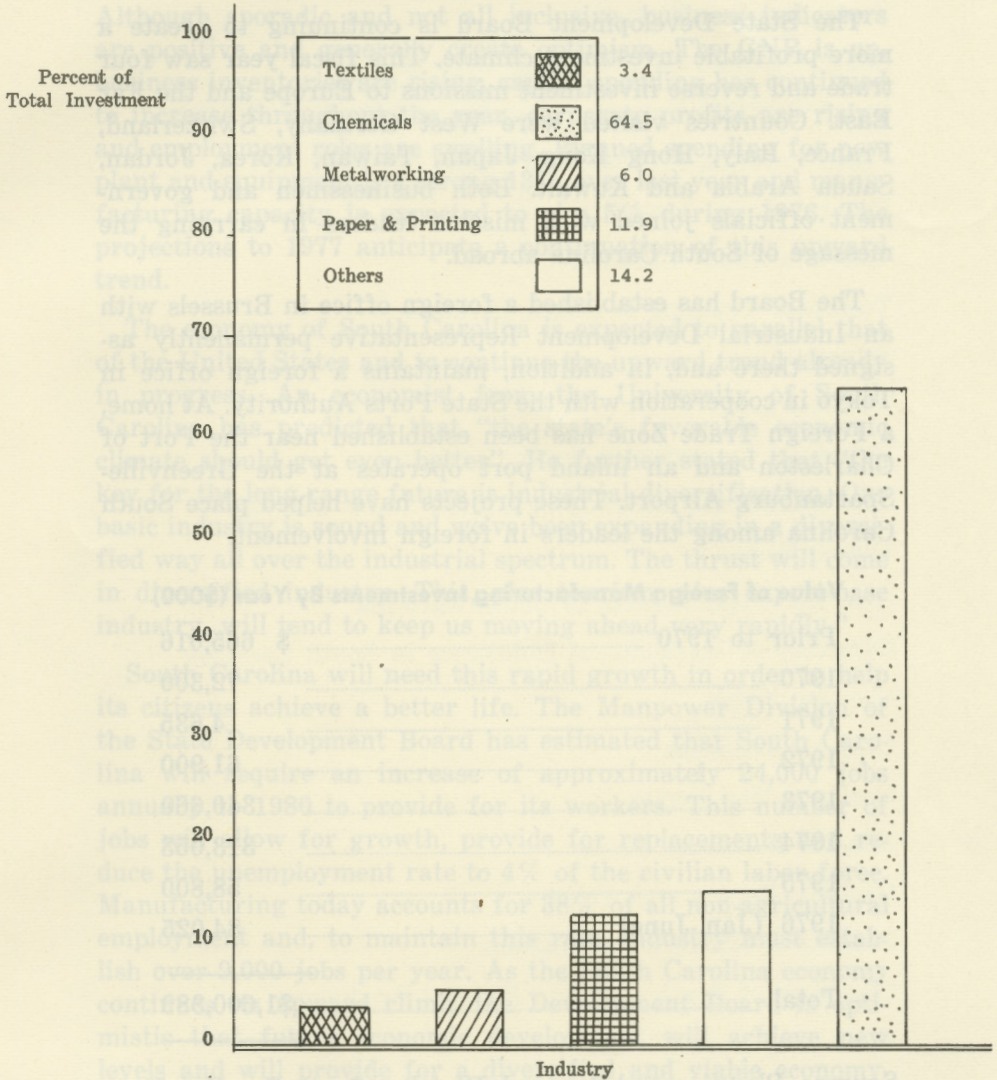
**FOREIGN INVESTMENT IN SOUTH CAROLINA**

Foreign investment has continued to provide an important contribution to the growing economy of the state. Foreign companies find South Carolina an attractive as well as profitable state in which to locate their plants and invest their industrial dollars. Between January 1, 1960 and June 30, 1976 foreign manufacturing firms invested a total of \$1,520,829,000 in South Carolina, or 19.5% of the total manufacturing investment for those years.

Foreign investment in manufacturing for Fiscal 1975-76 totaled \$123,325,000, accounting for 24% of total investment for the period.

An analysis of industry contribution reveals that the Chemical Industry has been the largest foreign contributor to South Carolina. The accompanying chart shows the predominance of this industry in the total investment.

**PERCENT DISTRIBUTION OF TOTAL FOREIGN  
MANUFACTURING INVESTMENT  
BY INDUSTRY**





The foreign companies in South Carolina represent investments from eight different countries. West Germany accounted for 42% of the total invested by all foreign countries, followed by Great Britain (28%), France (15%) and Holland (11%). Other countries represented are Belgium, Canada, Japan, South Africa and Switzerland.

The State Development Board is continuing to create a more profitable investment climate. This fiscal year saw four trade and reverse investment missions to Europe and the Far East. Countries visited were West Germany, Switzerland, France, Italy, Hong Kong, Japan, Taiwan, Korea, Jordan, Sauda Arabia and Kuwait. Both businessmen and government officials joined with mission leaders in carrying the message of South Carolina abroad.

The Board has established a foreign office in Brussels with an Industrial Development Representative permanently assigned there and, in addition, maintains a foreign office in Tokyo in cooperation with the State Ports Authority. At home, a Foreign Trade Zone has been established near the Port of Charleston and an inland port operates at the Greenville-Spartanburg Airport. These projects have helped place South Carolina among the leaders in foreign involvement.

**Value of Foreign Manufacturing Investments By Year (\$000)**

Prior to 1970 .....	\$ 665,016
1970 .....	72,300
1971 .....	4,635
1972 .....	61,900
1973 .....	340,660
1974 .....	313,053
1975 .....	58,800
1976 (Jan.-June) .....	84,025
 Total .....	 \$1,600,389

Source: Planning and Research Division, South Carolina State Development Board, June 1976.

## THE ECONOMIC OUTLOOK

Fiscal year 1975-76 experienced the upturn in the national economy which signaled the end of the recessionary period. The strength of the upturn surprised the economists and pleased the business leadership. However, the economists suggest that this is a classic recovery with a long way still to go. Although sporadic and not all inclusive, business indicators are positive and generally create optimism. The GNP is up, business inventories are rising, capital spending has continued to increase throughout the year, corporate profits are rising and employment roles are swelling. Planned spending for new plant and equipment is a strong 13% over last year and manufacturing capacity is expected to rise 5% during 1976. The projections to 1977 anticipate a continuation of this upward trend.

The economy of South Carolina is expected to parallel that of the United States and to continue the upward trend already in progress. An economist from the University of South Carolina has predicted that "the state's favorable economic climate should get even better". He further stated that "the key for the long-range future is industrial diversification. Our basic industry is sound and we've been expanding in a diversified way all over the industrial spectrum. The thrust will come in diversified industry. This, plus tourism, plus export-base industry, will tend to keep us moving ahead very rapidly."

South Carolina will need this rapid growth in order to help its citizens achieve a better life. The Manpower Division of the State Development Board has estimated that South Carolina will require an increase of approximately 24,000 jobs annually to 1980 to provide for its workers. This number of jobs will allow for growth, provide for replacements and reduce the unemployment rate to 4% of the civilian labor force. Manufacturing today accounts for 38% of all non-agricultural employment and, to maintain this rate, industry must establish over 9,000 jobs per year. As the South Carolina economy continues its upward climb, the Development Board is optimistic that future economic development will achieve new levels and will provide for a diversified and viable economy.



**PUBLICATIONS OF****THE SOUTH CAROLINA STATE DEVELOPMENT BOARD**

South Carolina Industrial Directory

Profile for Profit

South Carolina Statistics

South Carolina Metalworking Directory

South Carolina Industrial Services and Suppliers Catalog

South Carolina International Trade Directory

Foreign Trade Zone Brochure

Taxes in South Carolina

Technical Training in South Carolina

Expedite

No-Situs Law

Industrial Financing in South Carolina

South Carolina: Gateway to United States Markets

Direct Mailer

Growing Opportunities in South Carolina

Directory of Agricultural Industries in South Carolina

Geologic Notes

Geologic Bulletins

Geologic Map Series

Mineral Resources Series

Geologic Papers and Articles

Catalog of Geologic Publications

Directory of South Carolina Mineral Producers

Field Trip Guide Books

## 1975-1976

## STATE DEVELOPMENT BOARD BUDGET

Administration .....	\$ 550,332
Economic Development .....	1,404,555
Division of Geology .....	167,191
<hr/>	
Total Expenditures .....	\$2,122,078